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1288

19 AUG 1971

MEMORANDUM FOR THE RECORD

SUBJECT: Discussion with [REDACTED] August 1971

1. [REDACTED]

a. [REDACTED]

b. [REDACTED] there was a meeting of the General Economic Advisory Council to the government which includes representatives from all sectors. Normally Allende does not attend, but around 5 August at its monthly or weekly meeting he did show up. After the private sector, through Orlando Saez, head of Fomento Fabril, had presented its views on current economic policies of the government, which were strongly attacked, the President asked Minister Vuscovich to answer the private sector. Vuscovich said he was not prepared at this time to go into detail.

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c. A [redacted] meeting took place on [redacted] August which was attended by [redacted] with Allende. Allende was very pessimistic, so much so that he spoke openly of increasing dangers of civil war in Chile. He was clearly referring to a confrontation of the far left consisting of the MIR and the Socialist Party, and the right, which presumably includes the military, [redacted]

2. [redacted]

3. [redacted]

Navy officers have also noticed an increase in the number of visits by politicians to sound out the military as to what the latter intends to do when/if Allende violates the Constitution. The Navy considers its own ranks -- both officer and enlisted -- to be relatively free of any leftist penetrations. The Army also is considered to be relatively pure, with the Air Force regarded as the most likely area of leftist penetration. [redacted]

4. [redacted]

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